Southern Illinois University Carbondale OpenSIUC

Research Papers

Graduate School

Winter 11-2-2015

Social Media and the Evolution of Social Advertising Through Facebook, Twitter and Instagram

Korey C. Love Southern Illinois University Carbondale, koreylove@siu.edu

Follow this and additional works at: http://opensiuc.lib.siu.edu/gs_rp

Recommended Citation

Love, Korey C. "Social Media and the Evolution of Social Advertising Through Facebook, Twitter and Instagram." (Winter 2015).

This Article is brought to you for free and open access by the Graduate School at OpenSIUC. It has been accepted for inclusion in Research Papers by an authorized administrator of OpenSIUC. For more information, please contact opensiuc@lib.siu.edu.

SOCIAL MEDIA AND THE EVOLUTION OF SOCIAL ADVERTISING THROUGH FACEBOOK, TWITTER AND INSTAGRAM

by

Korey C. Love

B.S., Southern Illinois University, 2014

A Research Paper Submitted in Partial Fulfillment of the Requirements for the Master of Science

Department of Mass Communication and Media Arts in the Graduate School Southern Illinois University Carbondale December, 2015

RESEARCH PAPER APPROVAL

SOCIAL MEDIA AND THE EVOLUTION OF SOCIAL ADVERTISING THROUGH FACEBOOK, TWITTER AND INSTAGRAM

By

Korey C. Love

A Research Paper Submitted in Partial

Fulfillment of the Requirements

for the Degree of

Master of Science

in the field of Media Management

Approved by:

Dr. Katherine Frith, Chair

Graduate School Southern Illinois University Carbondale October 29th, 2015

AN ABSTRACT OF THE RESEARCH PAPER OF

Korey C. Love, for the Masters of Science degree in MEDIA MANAGEMENT, presented on OCTOBER 29th, 2015, at Southern Illinois University Carbondale.

TITLE: SOCIAL MEDIA AND THE EVOLUTION OF SOCIAL ADVERTISING THROUGH FACEBOOK, TWITTER AND INSTARGAM

MAJOR PROFESSOR: Dr. Katherine Frith

Social media has quickly evolved into one of the most popular channels of communication this generation has ever seen. This is why it is essential to map its progressive journey from where it first started, to what it has become in today's world. Advertising methods were quickly integrated into social media sites like Facebook, Twitter and Instagram so that they could evolve into what they have today, and to provide million upon billions of connections for companies and agencies to engage with their sought after consumers.

There are a plethora of advertising options offered on these three different social media websites, which give the lone individual up to the Fortune 500 Company options to customize their impression on the consumer. However some social media outlets stand apart from the rest by the way of success and innovation. It is clear that the different websites have had various effects on the consumer, some great and some bad. It was imperative that the effectiveness of these social media websites and their advertising methods be tested in order to evaluate the results on the consumer.

After researching the development of the three most popular social media sites (Facebook, Twitter and Instagram) a focus group of three male and three female participants between the ages of 20-24 was conducted in order to assess the three social media websites. The participants were asked several questions focusing on social advertising through these websites, as well as interacting with each other and providing key insights about their personal social media usage. The focus group concluded that Instagram was the most innovative when it came to integrating their advertisements directly into the timeline of the user. Facebook clearly

i

had the most forms of advertising, however participants were not pleased with the amount of ads and had to use pop-up blocker in tandem with their application use. Twitter was said to be user friendly. Recently though, more forms of aggressive ads have been added to Twitter's real-time user feeds. The participants made several predictions about future social media trends and advertising, the most imminent being that Facebook would begin to model some of their advertising methods after Instagram, a company they recently acquired in 2012. In conclusion, Instagram was said to be the most visually stunning and inventive when it came to advertising method and incorporation.

CHAPTER	PAGE
ABSTRACT	i
LIST OF FIGURES	iv
CHAPTERS	
CHAPTER 1 – Literature Review	1
CHAPTER 2 – Twitter	9
CHAPTER 3 – Facebook	12
CHAPTER 4 – Instagram	18
CHAPTER 5 – Focus Group Results	21
REFERENCES	24
APPENDICES	
Appendix A – Focus Group Questions and Responses	26
VITA	30

TABLE OF CONTENTS

FIGURE	PAGE
Figure 1	1
Figure 2	1
Figure 3	2
Figure 4	
Figure 5	
Figure 6	5
Figure 7	7
Figure 8	9
Figure 9	11
Figure 10	
Figure 11	13
Figure 12	
Figure 13	
Figure 14	
Figure 15	
Figure 16	19
Figure 17	

LIST OF FIGURES

CHAPTER 1

LITERATURE REVIEW

Social media, two words that have come to dominate the generation at large in terms of communication and technology. Almost every company has a social media sector nowadays, every teen, college student, and even young adults have applications like Twitter, Snapchat, and Facebook on their phones, millions upon millions of people are turning to this "social media" to connect, chat, and share ideas...but where did it all start? A company called Digital Trends tells us that it all started around 2001, websites like "Classmates.com" (See Figure 1), "AsianAvenue.com" (See Figure 2) and "BlackPlanet.com" that connected people that they thought wanted to be found.



Figure 1 Screen capture of Classmates.com



Figure 2 Screen capture of Asianave.com

These websites linked people to past classmates, people of the same race, and people with the same interests, almost like dating sites today. Many websites like these are still successful, and have almost 8 million online visitors per month. However, Social Media shifted into a different direction in 2002, when Friendster was created by CEO Jonathan Abrams. Friendster, "used a degree of separation similar to that of the now-defunct SixDegrees.com, refined it into a routine dubbed "The Circle of Friends," and promoted the idea that a rich online community can exist only between people who truly have common bonds" (Digital Trends Staff, 2014). Quickly after Friendster started to lose momentum and experience technological problems, LinkedIn hit the scene in 2003 as well as Myspace.



Figure 3 Screen capture of Friendster.com

LinkedIn, primarily a networking site devoted to the workplace and corporate job openings and professional online presence, has over 297 million members to date, however Myspace had no such luck with a quickly declining following that encountered problems with the music industry, Myspace now ceases to exist. Obviously today's social media giant remains the ever dominant Facebook, emerging in 2004 as a Harvard exclusive website, it only took two years to open to the general public in 2006, and with millions of dollars from prominent and famous investors, it had nowhere to go but up. But Facebook wasn't built to be just a fun, innovative, new social media platform, it was built to gain attention from advertisers and

investors alike. Facebook and Twitter alike boast an "open API that made it possible for third-party developers to create applications that work within" (Digital Trends Staff, 2014) the two platforms. Google quickly followed in the footsteps of these two giants and created their own website, Google+, which has over 240 million users as of last summer, June 2014.

However, these companies started to hit road blocks when it came to mobile users. All social media users started to access content on their mobile devices, and companies had to quickly integrate their sites into the ever powerful medium. Two new social media platforms were created during this shift, Instagram, a way to publically share photos, and Snapchat, a way to share private photos with the select friends on your snap account.



Figure 4 iPhone screen view of Instagram



Figure 5 iPhone screen view of Snapchat

Both of these social media applications have huge success, Snapchat has had over 70 million downloads according to Business Insider, and is growing faster than Twitter, and potentially might catch up to the social media boom that is Instagram. Upon adjusting to the new mobile technology and their social media applications, these successful companies also integrated themselves, enabling users to post to several sites at the same time and share any information they would like between them simultaneously.

Besides integrating their companies to seamlessly work together, social media websites have allowed advertisers to become ever present on their sites, for obvious profitable benefits and partnerships. It all started in 2000 when Google launched Google AdWords and shortly thereafter Google Analytics. There are several infographics published on the history of social advertising and its huge success story, and these highlight many important moments in their advertising history, like the launch of brand pages on Facebook that created the term "cost per fan". Shortly thereafter, Twitter unveiled the Promoted Tweet, that companies or individuals could create in order to promote themselves or their businesses. For example this would include something like a picture of a new menu item from McDonalds, or a 15% off coupon to a sale on Forever21.com. Twitter also announced their own analytics program in 2011 and Facebook unveiled a "sponsored story" in their news feed that was also created by companies or individuals and contained whatever information they wanted to provide to the consumer. Facebook went public and released their IPO in 2012, as well as Twitter in 2013, both of which created huge opportunities for millions of investors around the world. Shortly after both companies went public, Instagram introduced sponsored posts in late 2013, and Facebook launched a new analytics program as well as creating auto play videos that were inserted into users Newsfeeds (promoted by companies or individuals). Facebook's next move was to "alter sponsored stories to relate only to social and sharing context" (Bennett, 2014).

Lastly, Twitter became profitable in 2014 and shortly thereafter changed and update their analytics platform. Twitter was up a record of 129% year to year and in 2014 made an alarming \$277 million dollars (Bennett, 2014). Facebook however has a little bit of an edge on Twitter, making \$2.6 billion, up 67% from 2013 to 2014 (Bennett, 2014).

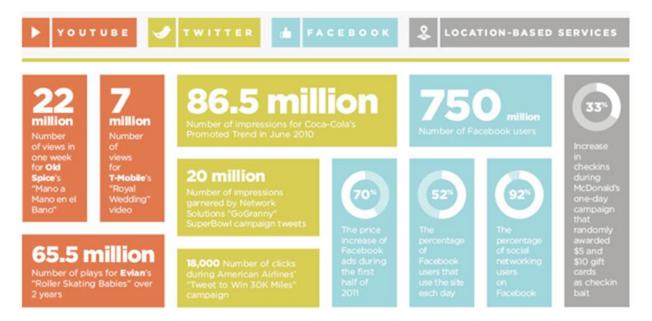


Figure 6 Infographic from Mashable, "Social Media Marketing By the Numbers."

Every social media platform has changed and molded itself to easily integrate advertising into its model, so that its advertisers could quickly and efficiently target their consumers. This makes for more profits for the social media companies and in turn, attention for the advertisers. Every successful company has an Instagram, Facebook, Twitter, Snapchat, and LinkedIn account. Without these successful outlets companies would not be able to take advantage of the enormous trend that is social media, and the billions of dollars that can be made through these media outlets. Individuals can also profit from advertising on these sites, and studies have been held showing their level of relevance. Christopher Null of Net Work ended up conducting his own advertising tests, trying each site and seeing which outlets would suit his needs best or be productive (Null, 2013). He concluded that LinkedIn ended up being the most expensive, while Facebook seemed rather irrelevant and believed that users automatically had grown accustomed to ignoring the ads and their placements all together. While "Twitter's almost 1% click through rate for my ads was twice that of Google AdWords" (Null, 2013). Another study done by Smart Insights concludes that social media advertising and marketing has had a huge, lasting impression on all that use it. The study concludes that, "Over half of the respondents have seen an increase in sales after using social media after at least three years" (Colwyn, 2014). The study also concluded that "Over 95% gained business exposure even with as little as six hours a week allocated within a year, to social media"

(Colwyn, 2014). This study also showed that businesses that did not see any potential growth or notice any improvements after using social media advertising did not have the necessary tools to gauge or measure their exposure, they were unaware as to how to see the benefits. Another key component to the success of these companies, big and small, was that when utilizing social media advertising, their costs were significantly lower when compared to using other traditional media outlets. There were also improvements that the companies in this study were willing to make, "67% planned to increase YouTube activity, 67% planned to increase their usage on Twitter, B2B marketers are more likely to increase on LinkedIn (77% B2B and 54% of those working in B2C), and Instagram is on the increase" (Colwyn, 2014). All companies surveyed showed that they wanted to increase some aspect of their Social Media advertising/marketing because of the beneficial outcome of past advertising through this medium.

Facebook came out as the clear winner from this study, being the most actively used social media site by over 90%, while the second closest site being advertised on was LinkedIn by about 20%.

Social media advertising appeals to a wide variety of companies because of the unique way they can target consumers and reach their specific audiences. One study highlighted the specific ways that companies can choose to target their consumers, they are interest targeting, behavioral/connection targeting, custom targeting, and lookalike targeting (Ganguly, 2015). All of these different ways of reaching customers "increase your ad's relevance to your users and provide a level of personalization that is not achievable on other advertising channels" (Ganguly, 2015). These different levels of consumer targeting will be looked at in detail throughout this research.

Another reason social media marketing has become so popular so fast is because of the increased use of mobile phones and applications throughout the United States and the world. As this particular study points out, "Mobile users are already checking Facebook, Twitter, LinkedIn, and Pinterest multiple times a day so advertising to them while they're within those apps is the best way to reach them without being disruptive" (Ganguly, 2015). This concept of "mobile dominance" has swept every up-and-coming generation on the planet. Children are basically born with smart phones in their hands and taught to use them by their parents (utilizing them as some sort of distraction). This has obviously had a major impact on revenues made from social media advertising on mobile phones, "mobile advertising was on course to compromise 68% of Facebook's revenue and 84% of Twitter's in 2014, and two-thirds of social

media advertising spend is forecasted to go towards mobile ads in 2018, creating a 9.1 billion dollar market on mobile" (Ganguly, 2015). Below is an infographic from the "Business 2 Community" website that often gives free tips to businesses regarding their social media advertising strategies. The below infographic focuses on Facebook.



Figure 7 "17 Survival Tips for Facebook Marketing" from Business 2 Community.

Based on the findings of the literature review, there are several questions that will guide this research study.

RESEARCH QUESTIONS TO BE ANSWERED:

- Which social media websites or mobile applications have the most integrated form of advertising?
- 2. How do the consumers respond to these forms of advertising?
- 3. How did Instagram, Twitter, and Facebook successfully evolve into the advertising platforms they are today?

- 4. What are these social media platforms currently working on in order to innovate their advertising methods and attract consumers?
- 5. What advice or key insights can the consumer provide to the social media outlets in order to improve their advertising methods?
- 6. Are there any future innovations that these social media platforms are working on currently?

CHAPTER 2

TWITTER

Twitter is famous for its interactive consumer base that is able to respond in real time to current events happening all over the world. Twitter, known for its networking abilities, consumer responses and reviews, celebrity interactions, company interactions, and real-time tweets has taken off in the last couple of years compared to its humble beginnings. Twitter began as "another micro-blogging platform created by programmers who worked at the podcasting company Odeo Inc. in San Francisco, California" (Johnson, 2013). The site was created by three different individuals, Jack Dorsey, Biz Stone, and Evan Williams. Since its founding Twitter has evolved into a colossal social media and microblogging site, having millions of users, and millions upon millions of app downloads to mobile users all over the Earth. "Twitter has over 200 million users with about 460,000 new accounts being created each day. There are more than 140 million tweets sent each day and while the company had only eight employees in 2008, they now have more than 400 and they're hiring" (Johnson, 2013).

Since its rise to fame Twitter has become one of the most popular social media outlets for companies and individuals to advertise on. Companies like McDonald's, The Home Depot, and the NFL all advertise on Twitter to reach the millions of Twitter users that check their Twitter feeds every day.



Figure 8 Screen capture of an American Express advertisement on Twitter

Companies have an array of choices such as Promoted Tweets, Promoted Accounts, and Promoted Trends and can calculate their costs by different criteria, such as "Cost Per: Acquisition (the campaign divided by the number of new customer acquisitions), Click (the campaign spend divided by the total number of clicks), Install (the campaign spend divided by the number of app installs), and Lead (the campaign spend divided by the number of leads)" ("Twitter Ads Glossary", 2015). Twitter also has several different options for companies to start an array of "Campaigns" which allows companies to tailor their needs into Twitter specific options, such as "a Followers campaign, a Leads campaign, a Tweet Engagement campaign, a Website Clicks or Conversions campaign, or an App Installs or App Engagement campaign" ("Getting Started Checklist", 2015). These different types of campaigns are defined in detail on the Twitter Business website in order for companies to pick and choose which type of advertisement best suits their needs and social media budget.

Twitter business also allows advertisers to choose various ways to target their audience of consumers, the different options listed on their website are as follows: "Event targeting, Geo, Gender and Language targeting, Installed App Category targeting, Interest App Category targeting, Interest and Username targeting, and Keyword targeting" (Twitter Business, 2015). Each of these options has instructions listed for the user to fully understand how their company can optimize every dollar spent on their particular strategy and comes with in-depth examples and tutorials (an example is shown below).

How it works

Discover and plan for events using the event calendar

First, please visit ads.twitter.com. From there, navigate to the Tools tab and from the dropdown menu select "Event calendar" to view the event calendar:

rowse events on Twitter	Jump to date ♥ All event types ♥ All locations ♥
June 9 4 events	C June 2010 > 50 M0 Tu We Th Pr 50 0 1 2 3 4 5 6 2015 7 8 8 10 11 12 13
+ FIFA Women's World Cup + NHL: Stanley Cup Final	14 15 16 17 18 19 20 21 32 29 24 29 26 27 28 29 30
+ NBA: Championship	
🕂 🖡 Social Media Week	
1	2015
June 10 5 events	2015
+ FIFA Women's World Cup	2015
	2015
+ FIFA Women's World Cup	2015

Figure 9 Screen capture from Twitter Business using the "Event Calendar" function

Twitter allows for the most singular individual to a Fortune 500 company to advertise on their website and has a wide variety of ad pricing for these different users.

When conducting my focus group on the different forms of social media sites, five of the six individuals used Twitter and noticed daily advertisements from promoted individuals as well as larger companies. Some of these companies included Nordstrom, Walmart, Burger King, and College Break. However, only one of the six individuals in the Focus Group said that Twitter had the most advertisements compared to the other forms of social media sites. It was noted by the other five participants that Twitter had one of the "least obnoxious" (a term used by one of the focus group participants) forms of advertisements on their websites when compared to other social media websites, demonstrating that Twitter has been able to seamlessly add in different kinds of advertising to attract the targeted consumer.

CHAPTER 3

FACEBOOK

Facebook, originally called thefacebook.com, started as nothing more than a dating and ratings website that owner Mark Zuckerberg stole from a few fellow Harvard students. Facebook (dropping the "The") then evolved into a hybrid of a college networking website and social networking site of sorts exclusively for Harvard, then other college campuses, then became public to all users in 2006, if you were at least thirteen years old. Below is a screenshot of the original Facebook profile page as of 2005.

My Profile [edk] My Priords My Fiends My Message My Asay Message My Asay Message My Asay Message My Asay Message My Asay Message My Privacy Account Info: Name: January 12, 2005 Model Evolution My Account My Revacy Soft Pearson, BS Member Since: January 12, 2005 Message My Asay Message My Account My Privacy Soft Pearson, BS Member Since: January 12, 2005 My Revacy My Revacy Soft Pearson, BS Member Since: January 12, 2005 My Revacy My Revacy Soft Pearson, BS Member Since: January 12, 2005 My Revacy My Revacy Soft Pearson, BS Member Since: January 12, 2005 My Revacy My Revacy Computing Sciences Membersitic My Privacy Preferences My Account Preferences My Account Preferences During Sciences Membersitic Scientifies Connector Connector	Scott Pearson's Profile (This is you)			Scrant
My Prinds My Prinds January 12, 2005 My Prinds January 12, 2005 My Noble Prinds January 12, 2005 My Noble Prinds January 12, 2005 My Noble Prinds January 12, 2005 My Prinacy January 12, 2005 My Noble Prinds January 12, 2005 My Prinacy January 12, 2005 My Noble Prinds January 12, 2005 My Prinacy January 12, 2005 My Account Preferences Markenatics My Account Preferences January 12, 2005 My Prinacy Preferences January 12, 2005 My Prinacy Preferences January 14, 2005 <td< th=""><th>edit</th><th>Information</th><th></th><th>[edt]</th></td<>	edit	Information		[edt]
My Account Preferences My Privacy Preferences Connection Extended Infoc SocietioP7 Connection A Selence A	Grouse Reseages Mobile Stroft Account Privacy Visualize My Friends	Name: Member Since: Last Update: Basic Infoc Email: Status: Sex: Year: Concentration: Phone:	January 12, 2005 Pebruary 3, 2005 Aumus/Auma Nale 2004 Computing Sciences Mathematics 570, 499, 4818	[edit]
This is you. Random play Whatever I can get	My Privacy Preferences	Extended Info: Screenname:	ScotbePP7 Friendship Deting A Relationship Random play	[edt]

Figure 10 Screen capture of the original website, 'TheFacebook"

Facebook then started to add specific features to its website that attracted more users, such as the News Feed feature, that displayed the activities of all of your "friends" in a single location. Very soon after that, in 2009, Facebook added a real-time news feed, very similar to Twitter. Soon after 2009 Facebook started to add feature after feature, becoming more popular than any other Social Media site, with over "1.44 billion monthly active users, which is a 13 percent increase year over year" (Noyes, 2015). However, at the same time Facebook became popular with another market, advertising. With around 1.44 billion consumers accessing their site every month, it became an important tool for every business, large and small, to reach their target audience. Below is an original slide from an advertising pitch given to Facebook's soon to be investors and future advertisers, the pitch was given in 2004 by Eduardo Saverin.

exceeds \$85 billion, o year they will spend \$	ollege stu 21 billion	dents have mo on restauran	United States. With an estimated purchasing power that oney in their pockets for your services and products. This ts and food, \$9 billion on automobiles, \$5 billion on on other amenities. College students are also active job		
User Base Demographics*		s*	Usage Growth Rate		
Total Users	70, 000		The growth rate of the total number of users is		
Ivy-League Other Schools	55% 45%		increasing, with the addition of 10,000 thefacebook.com members in the first week of April, 2004.		
Students	87%		The percentage of daily unique users has slightly		
Alumni	11%		increased through time.		
Faculty and Staff	2%		The monthly traffic in pageviews has grown through time		
Men	48%		in proportion to the growth rate of the user base.		
Women	52%				
Age 18 to 24	92%				
Site Usage*			"I have a new addiction. It is powerful. It is disturbing. It is thefacebook.com."		
Daily Unique Users		65%			
Monthly Unique Use	rs	95%	-The Daily Pennsylvanian, 03/25/04		

Figure 11 Original slide from Eduardo Saverin's presentation to future advertisers.

Facebook began generating revenue through advertising in 2004 (shortly after it was invented) by the way of "flyers". "Flyers are mostly purchased by students or small local businesses for \$10-\$40 dollars per day who want to target an ad to a specific college campus" (Toner, 2013). All of these Flyers were controlled by the owners of Facebook, and were only displayed along the side of the screen. The original Flyers were "mostly used by Facebook members to advertise parties or other social events on campus" (Toner, 2013). An example of one of these original flyers is shown below.



Figure 12 Original Facebook Flyer advertisement

Shortly after the Flyer concept became successful, Facebook created "Flyers Pro" where "advertisers can set a max price for what they're willing to spend" (Toner, 2013). They were then able to reach their target audience based on key factors such as age, race, gender, location, location of workplace, non-political and political views, and other necessary criteria. One of Facebook's biggest original advertising investors was Apple, who created an "Apple Group, which paid Facebook \$1 per month, per member" (Toner, 2013). This ended up generating "hundreds of thousands of dollars per month" (Toner, 2013) for Facebook and began to generate more advertising interest from companies all over the United States.

Facebook then started to create and introduce a "language and geographical based ad targeting" (Toner, 2013) in order to catch the eye of even more advertisers (this began in 2009). The advertiser could create and access their own advertisements for the very first time during this period. After these monumental shifts in advertising, Facebook created its own mobile app in 2010, and created the 'Like' button for users everywhere. Shortly after this, "Facebook introduces sponsored stories for the desktop" (Toner, 2013) which led to specific advertisements on the Facebook users News Feed, an example of this is shown below. If the user proceeded to 'Like' a company's Facebook page, than the sponsored story would be fed into their News Feed (the 'Like' is required for this to happen).



Figure 13 Screen capture of a McDonald's post on Facebook.com

After sponsored stories became popular with several hundred global companies like McDonald's, Taco Bell, Macy's, Ben and Jerry's etc.., Facebook began advertising through their mobile application in 2012. These advertisements "appeared within our News Feed so as not to interrupt our Facebook user experience" (Toner, 2013). However, four of the six focus group participants stated that Facebook had the most advertisements of any other social media site they would access. (An example of these Facebook mobile application advertisements are shown below.)



Figure 14 A variety of Facebook advertisements shown through their mobile application

Facebook has over "1.25 billion mobile active users (Source: Facebook as of 4/22/15) an increase of 24 percent year-over-year" (Noyes, 2015). Currently, mobile advertisements are "now making up 76 percent of its total ad revenue, or \$2.9 billion dollars" (Kokalitcheva, 2015). Four of the six focus group participants access Facebook from their mobile phones and average about two hours use of Facebook a day through their mobile application of Facebook as well. Facebook was by far the most popular social media site to access by way of mobile application, as seen in the focus group.

Following sponsored stories in 2012, Facebook created the "Social Graph: When a user friends another user, Likes a page, comments on a photo, listens to music, or plays a game, a connection is written to the Social Graph, which is then provided as data for advertisers" (Toner, 2013). Facebook then created The Facebook Exchange, which allows "advertisers and agencies to use cookie-based targeting to reach their audience on Facebook with more timely and relevant messages" (Toner, 2013) through real-time bidding. Due to these innovative mobile advertising inventions, Facebook "mobile has climbed steadily upward as a percentage of Facebook's total ad revenue. It grew from 14% to 23% to 30% and now made the biggest quarter over quarter jump to 41%" (Toner, 2013) as of 2013, and statistics are only reaching higher and higher. Mobile advertisements are now Facebook's number one revenue generator

as of 2015 and are only being predicted to improve as time continues, making the creation of the Facebook mobile application the singular most important innovation generating revenue.

CHAPTER 4

INSTAGRAM

"Instagram is the number one photo-sharing social platform on the planet" (Ahmad, 2014). Instagram, a mobile-friendly photo sharing application that has millions of global users, was founded by Mike Krieger and Kevin Systrom on October 6th, 2010. (Due to Instagram's success, Facebook acquired Instagram in 2012 for 1 billion dollars). Instagram is simple and user-friendly, offering very limited, easy to use instructions. Instagram users have very limited choices when it comes to using Instagram, the user can Like the photo, comment on the photo, or repost the photo, depending on if the user is their "friend" or their profile is public or private. All photos appear in a timeline-like fashion, depending on when they were shared or posted. The only content a user can post is a photo, and can apply one of the many Instagram filters offered through the app, such as "Moon" or "Lark".

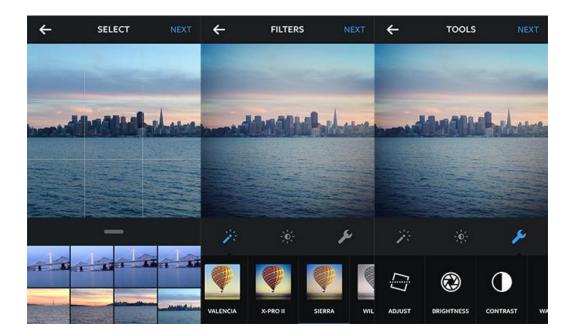
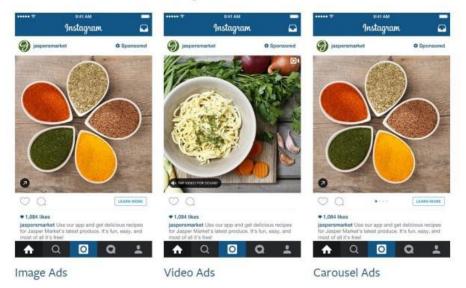


Figure 15 The photo editing and uploading process through the Instagram mobile application.

The user can also post a location to the photo they upload, along with a caption to the photo as well. Instagram users can also post videos as well as pictures, as long as they are under 30 seconds. The

same instructions and actions apply to the videos as they do to the pictures. Only three of the six focus group participants use Instagram because of the fact that it is so photo heavy and friendly. If the user is not interested in photo-heavy content, then Instagram would not be for them. However, five of the six participants did acknowledge that Instagram is a newer form of social media, and the other three participants that did not use Instagram currently, said they would be willing to try it in the future.

Due to Instagram's immediate success, it began offering a place for advertisers and agencies to reach their now, 400 million users quickly and efficiently. Instagram first announced their sponsored posts in mid-2013, but according to the focus group three of the six participants did not start noticing these advertisements until late 2014. Instagram offers three different Ad Formats for companies and agencies to choose form, one being the Image Ad, the second being the Video Ad, and the last type being the Carousel Ad. The image ad is just focused on a singular image promoted by the company, the video ad is a short video (around 30 seconds) promoting the service or product, and the last type of ad, the carousel ad, is a serious of pictures that the user can swipe through, offering up to four images. All three of these ads have an option for a "Learn More" "call to action button that takes them to the website to learn more" (Instagram Ad, 2015). Below is a screengrab from the Instagram Business webpage showcasing the different types of Ad Formats available.



Instagram Ad Formats

Figure 16 Three screen shots of the different advertisement variations offered on Instagram

All three of the Instagram users in the focus group agreed that Instagram has been the most successful with integrating their sponsored advertising posts into their Picture Feeds. All three also agreed that they mistake the ads (on a daily basis) for one of their friend's original content, they also preferred Instagram advertising to any other version of social media ads. Focus group participants chose the words "edgy and cool" when describing Instagram and its advertising methods, they also predicted that Instagram would come up with a more innovative way to advertise to the consumer without bombarding the user with "aggressive and annoying ads" like other social media advertising.



Figure 17 Three different examples of Instagram advertisements

CHAPTER 5

FOCUS GROUP RESULTS

A focus group was conducted at the beginning of this research, after the initial Literature Review. Six participants were found, three female and three male, all within the age range of 20-24 years and all students of Southern Illinois University in Carbondale, Illinois. All six participants access social media websites religiously, particularly Twitter, Facebook, and Instagram, with an average of five hours of social media usage a day. They concluded that they accessed social media websites between classes, in the morning or evening when enjoying "down time", or when attending certain events (posting pictures or statuses during these events).

The focus group, which lasted roughly an hour and a half, was made up of key insight response questions, a list of questions asked to the participants is listed in the appendices of this research paper.

Overall, the Focus Group participants were the most impressed with Instagram and its advertising methods. They concluded that Instagram was able to seamlessly integrate the advertisements in such a way that the user believed one of their Instagram friends posted the picture or video. Three of the six participants noted that Facebook was the most advertisement heavy social media site, with a plethora of video and promoted ads, promoted pictures and posts, banner ads, and pop-ups ads (depending on the users security and privacy settings). Twitter and Instagram were both noted to have less ads then Facebook, with Twitter being a close second to Instagram for user-friendly advertisements. The participants generated a list of companies that caught their eye in a non-combative way on the various social media websites- from the week of September 29th, 2015: Nordstrom, Walmart, Burger King, Buzzfeed, Cheezlts, College Break, The NFL, The Home Depot, The Voice, Applebee's, Naked Juice, and Kohl's. These companies all constantly run advertisements on multiple social media platforms, including the three most popular in this focus group: Instagram. Further proving that Instagram has come the closest to engaging the consumer with its advertising clients in a less aggressive, more innovative way than the other social media sites.

The focus group participants also provided a list of predictions and improvements based on their personal Social Media experiences with Twitter, Facebook, and Instagram. The following are listed below in sequential order.

- Facebook should eliminate their banner advertisements and focus more on promoted posts that are related to the user's interests. Scrolling advertisements were suggested by multiple participants.
- Companies generally run the same advertisements on Twitter, users are tired of seeing the same advertisements run on different days.
- Instagram will continue to innovative and create seamless advertising. No recommendations
 were given for Instagram ads, all participants agreed that they were enjoyable and informative
 in an interesting way.
- 4. Facebook, Twitter, and Instagram have all integrated the "hashtag" into their advertising efforts, participants noted that it blurred the lines between social media sites and became confusing to the point where they would avoid anything with a hashtag.
- Participants want the option to "skip" the video advertisements on Twitter after a suggested amount of seconds. Being forced to watch the entire 30-second ad was not considered user friendly.

CHAPTER 6

CONCLUSION

Throughout its existence, social media has become a tool that consumers all around the world can access by simply pulling out their mobile phones, laptops, or tablets. It has connected billions of people around the world with their friends, families, governments, neighborhoods, and local and global businesses (upon much, much more). Twitter, Facebook, and Instagram have provided outlets where the user can go and connect with companies all over the world, large and small, and learn about their history, products, services, or just about any other information they are looking for. In turn, Social Media has provided an outlet for big business and local business to reach the smallest consumer, to the largest, all over the globe in such unique and fascinating ways. Target markets can be found in the furthest corners of the world, or right here in the companies back yard.

Answering the first and second research questions, Instagram by far has become the leader in advertising innovation, according to the consumer and the focus group analyzed. Facebook however has the most users and generates the most revenue, compared to Twitter and Instagram, further answering the third research question about the success of the different social mediums. Facebook also provides the most diverse options to agencies and companies wanting to advertise. To answer the fourth and fifth research questions, Twitter is creating new ways for advertisers and agencies to reach their consumers, providing detailed analytics and marketable strategies that will boost the company's awareness and possibly generate an increase in sales. Twitter is also a huge asset to the small local business, providing options that can be tailored to even the smallest induvial. Creating a plan that communicates interest and care to every business, exclusively from Twitter.

All three Social Media sites have risen from virtually the smallest platform of hundreds of users, to hosting millions upon possible billions of users, and generating all types of content, from pictures to videos, to posts and blogs from every corner of the globe. Without these three mediums it is possible that personal and business connections would have never been created, and this fascinating tailored dynamic between the business and the consumer would have never been stimulated.

REFERENCES

- Dijck, J. (2013). The Culture of Connectivity: *A Critical History of Social Media.* Oxford: Oxford University Press.
- Advertising on Instagram. (2015). Retrieved from <u>https://business.instagram.com/advertising/</u> on October 3rd, 2015.
- At Last—The Full Story of How Facebook was Founded. (2010, March 5). Retrieved from http://www.businessinsider.com/how-facebook-was-founded-2010-3 on October 4th, 2015.
- Do Social Media Ads Really Work? We put them to the Test! (2013, March 14). Retrieved from <u>http://www.techhive.com/article/2030740/do-social-media-ads-really-work-we-put-them-</u> <u>to-the-test-.html</u> on September 21st, 2015.

Mobile is Facebook's Cash Cow. (2015, July 29). Retrieved from

http://fortune.com/2015/07/29/facebook-mobile-ad-revenue/ on October 5th, 2015.

Research Summary: Social Media Marketing Effectiveness in 2014. (2014, May 29). Retrieved

from http://www.smartinsights.com/social-media-marketing/social-media-

governance/social-media-marketing-effectiveness-2014/ on September 23rd, 2015.

Timeline of Instagram from 2010 to Present [Infographic]. (2014, January 7). Retrieved from

http://www.socialmediatoday.com/content/timeline-instagram-2010-present-infographic

on October 6th, 2015.

The History of Social Networking. (2014, August 4). Retrieved from

http://www.digitaltrends.com/features/the-history-of-social-networking/ on October 2nd, 2015.

The History of Social Networking through the Ages. (2014, June 26). Retrieved from

http://www.adweek.com/socialtimes/social-networking-ages/499633 on September 12th,

The History of Twitter. (2013). Retrieved from <u>http://www.socialnomics.net/2013/01/23/the-history-of-twitter/</u> on September 24th, 2015.

The History of Facebook Advertising [Slide Share]. (2013, September 26). Retrieved from http://blog.hubspot.com/marketing/history-facebook-adtips-slideshare on October 4th, 2015.

The Top 20 Valuable Facebook Statistics- Updated October 2015. (2015, October). Retrieved from https://zephoria.com/top-15-valuable-facebook-statistics/ on October 5th, 2015.

Twitter for Business. (2015). Retrieved from <u>https://business.twitter.com/</u> on October 2nd, 2015.

Why Social Media Advertising is set to Explode in the Next 3 Years. (2015, March 17).

Retrieved from <u>http://marketingland.com/social-media-advertising-set-explode-next-3-years-121691</u> on September 24th, 2015.

APPENDICES

APPENDIX A

Focus Group Questions and Responses

*NOTE: All participant responses are recorded and summarized, direct quotes may be included.

What are the different types of social media that you use from day to day?

Twitter, Facebook, LinkedIn, Pinterest, Instagram: 4 of the 6 use Instagram, Twitter and Facebook.

How much time do you spend a week on social media?

Participant 1: 3 hours, participant 2: 5 hours, participant 3: 8 hours, participant 4: 3 hours, participant 5: 6 hours, participant 6: 7 to 8 hours. Participants concluded that they used social media mostly in the morning when waking up, downtime between classes or when commuting to class, or catching up at night after a long day. Participants also said they are on social media during some kind of event or extracurricular activity like a party on the weekend or posting pictures from a tailgate before a school football game.

What social media site has the most ads, through your experience?

Participant 1: Facebook, participant 2: LinkedIn, participant 3: Instagram and Facebook, participant 4: Twitter, participant 5: Facebook, participant 6: Facebook or LinkedIn. Participants thought concluded that Facebook had the most advertisements, they observed banners ads, pop-ups ads, side ads, as well as promoted ads like posts and hashtags in the upper right hand corner. What sites do you usually have to watch ads on, and what are your responses to these sorts of ads?

Twitter usually has a couple 30 second advertisements before regular posts or promoted posts, YouTube also has advertisements before watching whatever desired content. Facebook now has direct links to advertisements under any promoted post. Participants said that they did not mind watching the 30 second advertisements as long as the content was somehow related to what they were trying to watch. If participants were trying to watch a promoted horror film trailer, they did not mind that a new trailer for another horror film was before that. Participants also noted that Twitter ads were some of the "least obnoxious" ads they had seen and that they didn't mind watching them as long as the content was related.

Are there any social media sites that you specifically like their advertisements?

Participants favored Instagram saying that it was "edgy and cool" and that it looked as if one of their actual friends has posted a picture. They said they were "very well integrated" into their picture timelines. Instagram ads always look professionally done and seem almost seamless, not noticeable to an everyday Instagram user. Most participants did not mind the Instagram ads, said they became curious to the products and companies after seeing their ads. Three of the six participants use Instagram regularly, the other participants said that they would be open to using Instagram in the future.

What social media application do you use mostly on your phone?

Four of the six participants access Facebook on their mobile devices, and three of the six said they use Instagram solely on their phones because it is not user-friendly on a desktop computer. Therefor Facebook was the most popular application used by the focus group members, also these four members said they only check their Facebook accounts on their

laptops about twice a week, versus six to seven times a day on their mobile phones. (All participants have iPhones as well)

What are some companies that stand out to you on social media this week? (September 29th, 2015)

Nordstrom, Walmart, Various Sponsored Movies, Burger King, Buzzfeed, CheezIts, College Break, The NFL, Verizon, The Home depot, The UFC, The Voice, Applebee's, Naked Juice, and Kohl's. Twitter ads were generally the same in every users timeline, however Instagram ads and Facebook ads were more targeted towards the participants Like's on the different medias.

Do you see any of the social media websites coming up with new ideas?

Participants thought that Instagram would keep churning out new ideas to attract the consumer in a seamless and effortless way-through some kind of picture medium. Participants also thought that Facebook would continue to bombard the user with different forms of advertising (participants also think that Facebook is on the way out if improvements to the user aren't made). Participants knew that Instagram was acquired by Facebook, so they think that Facebook will look to adopt some of Instagram's advertising principals and appeal more to the younger user sometime in the near future. Participants do not think that Twitter will change any when it comes to advertising. Twitter has just added the 30 second must watch ad, and the participants think that there are not many other ways that Twitter can integrate ads other than the popular hashtag (promoted trends). Participants also noted that they turn to Twitter when trying to access the news and breaking news, along with first-hand accounts.

What ways do you think that these social media sites could improve their advertising methods? Specifically Twitter, Instagram and Facebook.

Participants think that Facebook could eliminate banner ads and focus more on promoted posts that are related to content that they are already interested in. Participants also noticed that they have been seeing many of the same Twitter advertisements throughout the past weeks, Twitter needs to not allow too many of the same ads ran in the same day or week, this leads to clutter said the participants. Participants do not like that Instagram, Twitter and Facebook all use hashtags, it becomes confusing from time to time to know which social media they are using. All participants that were Instagram users had no suggestions for Instagram, they believed that they were already very seamless and integrated with their advertising, all of the Instagram users in this focus group did not mind seeing an Instagram ad. Participants described Instagram as "cutting edge", and Facebook and Twitter as "behind the times".

VITA

Graduate School Southern Illinois University

Korey C. Love

koreylove@siu.edu

Southern Illinois University Carbondale Bachelor of Fine Arts, Radio, Television and Digital Communication

Research Paper Title:

Social Media and the Evolution of Social Advertising through Facebook, Twitter, and Instagram

Major Professor: Dr. Katherine Frith